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# CENTRAL

## INTELLIGENCE

## BULLETIN



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NEXT REVIEW BATE: 20/0

AUTH: HR 70-2

DATE: 0 JUN 1900 REVIEWER:

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State Department review completed

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## CENTRAL INTELLIGENCE BULLETIN

20 October 1960

DAILY BRIEF	25X1
I. THE COMMUNIST BLOC	
II ASIA_A ERICA	25X1
II. ASIA-AFRICA	

Cyprus: Cypriot officials are expressing concern over the  $o \not\vdash$  country's mounting economic problems and the possibility of Soviet moves to exploit the situation. Rumors that the USSR is

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25X1	about to offer over \$15,4.0,000 in aid have aroused considerable discussion in both press and official circles.  Vice President Kuchula and energised to a US official fears that the country and eds and the continuing Soviet propaganda may force the government—which would prefer more Western aid—to accept Soviet assistance.	25X1
	"French" African Conference: The "summit" conference of former France territories in Black Africa, scheduled to convene in the Ivery Coast at Abidjan on 24 October, will focus large or the Algerian problem, and may result in the naming of a delegation to urge on De	
	Gaulle a "liberal solution" in Ageria. This conference, organized by Ivory Coast Premier Houphouet-Boigny, re-	
	flects the mounting concern of many French-speaking African leaders over the prospect that nationalist pressures may make it impossible for them to support France when	
•	the Algerian issue comes to a vote in the UN. The American Embassy in Paris believes France may cut drastically, and possibly entirely, its financial aid to states which do	
	not maintain solidarity with it.	25X1
	III. THE WEST	
25X1	Cuba: Fidel Castro  believes capitalism is on its way out and that the	25X1
a= **	United States is "finished" as a great power. Stating that he had no intention of letting up in his attacks on the United States, he expressed confidence that the Sino-Soviet bloc would win to-	
	day's ideological struggle, and said it was therefore necessary for him to align Cuba with the Communist countries. Although Castro admitted that the general economic situation in Cuba	
	was "bad," he praised the operations of the Cuban Petroleum	. 10
25X1	Institute under the guidance of "excellent" Soviet technicians.	
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	IV. WATCH COMMITTEE CONCLUSIONS	
Uni	On the basis of findings by its Watch Committee, the ited States Intelligence Board concludes that:	
A.	No Sino-Soviet bloc country intends to initiate hos- tilities against the United States or its possessions in the immediate future.	
В.	No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US	
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	allies, or areas peripheral to the Orbit in the immediate future.  There have been no significant new developments in the Berlin situation in the past week.	
C.	Situations susceptible of direct exploitation by Soviet/ Communist hostile action continue to exist in Laos and	
25X1	South Vietnam.	25X1

20 Oct 60

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### Cypriot Leaders Express Concern Over Bloc Aid Offer

Unconfirmed reports that the Soviet Union is about to offer Cyprus over \$80,000,000 in economic aid are causing concern among Cypriot Government leaders. According to one report, Andreas Ziartides, one of the five Communists in the 50-member House of Representatives, will announce details of the offer on his return from a visit to Prague. The Communist deputies are expected to follow up the announcement by placing before the House the entire issue of Soviet aid, and Cypriot Communists are reported to be organizing agitation and demonstrations to force government acceptance.

Rumors of impending bloc aid offers have been circulating in Nicosia since a visit to Cyprus in early September by the Soviet ambassador to Greece, who at that time expressed his government's willingness to extend economic aid "without strings." Rumanian and Hungarian diplomats have since visited the island and made similar offers of economic and technical aid.

President Makarios, Vice President Kuchuk, and other Cypriot leaders have expressed fear that present economic conditions will make it difficult to reject firm bloc offers. Unemployment is reported increasing daily, a drought has drastically curtailed the production of certain cereal crops, and surpluses of citrus and vine products continue to increase.

Makarios and Kuchuk frequently have indicated their intention of relying on the West for aid. Britain, Greece, and Turkey have all promised assistance in limited amounts. A UN economic team is examining the island's economy, and it is expected that the UN Technical Assistance Program will supply help over the next two years. For the immediate future, however, Cypriot officials appear to be relying heavily on the outcome of current negotiations with the United States for about 4,000 tons of PL-480 grain.

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"French" African Leaders to Confer on Algeria

A new initiative toward resolving the Algerian conflict seems likely to result from the conference of leaders of former French territories in Black Africa which is scheduled to begin on 24 October in Abidjan, the capital of the Ivory Coast. Invitations to the meeting, organized by Ivory Coast Premier Houphouet-Boigny, apparently have been sent to the heads of 12 of the 13 "French" African states which became independent earlier this year--including Cameroun and Togo but not the Malagasy Republic--and most of them are expected to attend or send representatives. Mauritania, which becomes independent on 28 November, and Guinea, which Houphouet hopes can be induced to re-establish close ties with other former French territories, may also be represented.

The meeting is aimed primarily at concerting policy with a view to heading off a UN vote on a strong Algerian resolution—such as one endorsing the Algerian rebels' call for a UN-supervised plebiscite in Algeria. Houphouet and other pro-French leaders have displayed increasing concern over such a development, observing that no African leader could survive if he opposed an Algerian resolution. Present indications are that the meeting will result in the naming of a delegation charged with urging a "liberal solution" on De Gaulle and also aim at agreement on tactics to be pursued at the UN. Senegal's UN representative has already indicated his preference for a resolution based on De Gaulle's repeated calls for a cease—fire and directed toward encouraging a resumption of direct talks between France and the rebels.

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Should the "French" Black African states not support France against a strong Algerian resolution, the American Embassy in Paris believes the French Government may curtail drastically, and possibly cut off entirely, the economic aid on which all these states depend. Direct French assistance amounted to over \$200,-000,000 in 1960. Houphouet stated in August he had been told flatly by two high-ranking members of De Gaulle's regime, under circumstances which suggested De Gaulle's concurrence, that all economic and technical assistance would be cut off from African states which voted against France on the Algerian question.

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Approved For Release 2003/02/27 : CIA-RDP79T00975A005300430001-5 20 Oct 60 CENTRAL INTELLIGENCE BULLETIN Page 4

### Approved For Release 2003/02/27 : CIA-RDP79T00975A005300430001-5

In mid-September ) of Castro reportedly
-that he believe a specilism is on the way out, that
the United States is "it a bod" as a major world power, that
it is corrupt, two-face, and hasincere, and that American
domecracy is really a time. He said he had no intention of
letting up in his attac'tas sice in its "present state of confu-
sion" the United States and stabs kept on the defensive. He
empressed confidence but the Sino-Soviet bloc would win the
ideological war and he decretore deemed it necessary to align
Cuba with the Communist countries. Since this conversation,
Castro has appointed and inbussador to Communist China, and
Cuba has become the near-bloc nation to afford diplomatic
recognition to North Korea.

Castro went to considerable lengths in describing himself as the rising leader of Latin America and Africa, and he stated that only by taking an uncompromising attitude toward the United States could be keep from with his obligation to the peoples of these areas. He specifically indicated concern about the attitude of the Betancourt government in Venezuela toward the Castro government, saying that he were venezuelans were not with him, he could "undermine the resconomy...and bring them to their knees."

Castro said that he felt he had Cuba "very well in hand politically," and scoffed at reports of differences among regime leaders. He said he was unconcerned about the large number of defectors among his original supporters, since "only the weak ones" were taking such steps. He emphasized that the people's militia, which he asserted would be reliable and well trained, would make any armed aggressors "extremely sorry for their efforts."

Castro admitted that Cuba's economic situation was bad and that considerable difficulty was being experienced in "production." His comments on Soviet technical assistance were enthusiastic, however, and he praised the Soviet technicians guiding the operations of the Cuban Petroleum Institute. "With all these excellent people in Cuba," he said, "we will defeat the corrupt capitalistic system."

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Executive Secretary, National Security Council

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The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

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The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff The Director, The Joint Staff

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Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

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The Secretary of Commerce

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National Indications Center

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